

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6818

BILL NUMBER: SB 246

DATE PREPARED: Jan 9, 2001

BILL AMENDED:

SUBJECT: Hunting and Fishing by Veterans.

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FUNDS AFFECTED: X GENERAL
X DEDICATED
X FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill allows a veteran of the armed forces to hunt and fish without obtaining a license. It requires an individual, before exercising this privilege, to provide evidence to the Department of Natural Resources (DNR), a clerk of the circuit court, or a subagent of the DNR showing that the individual is a veteran. The director of the DNR must adopt rules specifying the types of documents or information that an individual must present to verify that the individual is a veteran.

Effective Date: July 1, 2001; July 1, 2002.

Explanation of State Expenditures:

Explanation of State Revenues: The total estimated annual revenue loss to the Fish and Wildlife Fund is \$662,383.

This bill eliminates fees for military veterans for yearly fishing, hunting, and combination fishing and hunting licenses. The Department of Veterans Affairs reports that there are approximately 563,900 veterans in Indiana. Estimates of the number of veterans who fish and hunt in the following projections were calculated using the percentage of the state population that obtained licenses for these activities. The estimate of Indiana's total population of 5,899,000 was obtained from the U.S. Census Bureau as updated July 1, 1998.

The DNR Division of Fish and Wildlife reported that approximately 7% of Indiana's population purchased a license to fish. If the same percentage of veterans obtain fishing licenses, 39,473 individuals would be eligible to obtain the license without paying a fee. However, individuals over the age of 65 are exempt from purchasing fishing licenses. The Department of Veterans Affairs estimates that 45% of Indiana's veterans are near, at, or over 65 years of age. Assuming that only the remaining 55% of veterans must pay fishing licence fees, the number of veterans affected would be 21,710 (39,473 * 55%).

Fishing License Fee. This bill eliminates the \$8.75 yearly resident fishing license fee for veterans. (Of the

total license fee, \$0.75 would be lost by the agent who would have issued the license.) The annual state revenue loss from this license category would be equal to the number of veterans multiplied by the revenue loss per license, or \$173,680 (21,710 * \$8).

The federal government reimburses the state \$4.90 for every fishing license sold. Multiplying the federal reimbursement rate times the number of estimated eligible veterans results in an estimated federal revenue loss of \$106,379 for fishing licenses (\$4.90 * 21,710).

The loss in fishing license fees and the loss in federal reimbursement for fishing licenses sold equal a total revenue loss for fishing licenses of \$280,059 (\$173,680 + \$106,379).

Hunting License Fee. The Division of Fish and Wildlife reports that approximately 77,000 resident yearly hunting-only licenses are sold annually. Given this total, roughly 1% of Indiana's population obtained a yearly hunting-only license. If the same percentage of veterans obtain hunting licenses, 5,639 individuals would be eligible to receive a license without paying a fee. The current resident yearly hunting fee is \$8.75. (Again, of the total license fee, \$0.75 would be lost by the agent who would have issued the license.) The annual revenue loss would be equal to the number of veterans affected multiplied by the revenue loss per license, or \$45,112 (5,639 * \$8).

The federal government reimburses the state \$8 for every hunting license sold. Multiplying the federal reimbursement rate times the number of estimated disabled veterans results in an estimated federal revenue loss of \$45,112 (5,639 * \$8).

The loss in hunting license fees and the loss of revenue from the decrease in federal reimbursement for the sale of hunting licenses equal a total revenue loss for hunting licenses of \$90,224 (\$45,112 + \$45,112).

Combination of Hunting and Fishing License Fee. The Division of Fish and Wildlife reports that 114,000 yearly resident licenses for both hunting and fishing are sold annually. Roughly 2% of Indiana's population obtained a license for both hunting and fishing. If the same percentage of veterans obtain hunting licenses, 11,278 individuals would be eligible to receive a license without paying a fee. This bill eliminates the current resident yearly hunting and fishing fee for qualified individuals of \$13.75. (Of the total, \$0.75 would be lost by the agent who would have issued the license.) The annual revenue loss would be equal to the number of veterans affected multiplied by the revenue loss per license, or \$146,614 (11,278 * \$13).

The federal government would reimburse the state \$8 for the hunting portion of the license and \$4.90 for the fishing portion of the license, or \$12.90 per license. Multiplying the federal reimbursement rate times the number of estimated eligible veterans results in an estimated federal revenue loss of \$145,486 (11,278 * \$12.90).

The loss in state hunting and fishing license fees and the loss of revenue from the decrease in federal reimbursement for the sale of hunting and fishing licenses equal a total revenue loss for hunting and fishing licenses of \$292,100 (\$146,614 + \$145,486).

Total Impact. The total annual revenue loss from the three affected categories of licenses is \$662,383 (\$280,059 + \$90,224 + \$292,100). Revenues collected from fishing and hunting license fees are deposited in the Fish and Wildlife Fund. The operating budgets of the DNR's Division of Fish and Wildlife and the Division of Law Enforcement are funded through the Fish and Wildlife Fund. The proposal would decrease the amount of revenue in this fund.

Explanation of Local Expenditures: Clerks of the circuit court are able to sell licenses. Providing that veterans do not have to obtain a license may reduce the number of licenses sold by circuit court clerks which could reduce administrative expenses by a minimal amount.

Explanation of Local Revenues: Clerks of the circuit court are able to retain \$0.75 of each license sold. Providing that veterans do not have to obtain a license may reduce the number of licenses sold by circuit court clerks which could reduce revenues received from the \$0.75 fee that is retained at the local level. The overall impact is not expected to be significant.

State Agencies Affected: Department of Natural Resources.

Local Agencies Affected: Clerks of the Circuit Court.

Information Sources: John Brinkley, State Service Officer, Department of Veterans Affairs, (317) 232-3919; Greg McCollam, Chief of Administrative Services, Division of Fish and Wildlife, DNR (317) 232-20107; Ms. Every, Office of Veterans' Affairs (800) 827-1000; US Census Bureau.